

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2013-47-W - ORDER NO. 2014-379

APRIL 29, 2014

IN RE: Application of AAA Utilities, Incorporated)	ORDER GRANTING
for Adjustment of Rates and Charges for)	INCREASE IN RATES
Water Services)	AND CHARGES AND
)	APPROVING
)	SETTLEMENT
)	AGREEMENT

I. INTRODUCTION

This matter is before the Public Service Commission of South Carolina (the “Commission”) on the Application of AAA Utilities, Incorporated (“AAA Utilities” or “the Company”) filed on October 29, 2013, seeking approval of a new schedule of rates and charges for water service that AAA Utilities provides to its customers within its authorized service area in South Carolina. The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (Supp. 2013) and 10 S.C. Code Ann. Regs. 103-703 and 103-712.4 (Supp. 2013).

By letter dated November 8, 2013, the Commission’s Clerk’s Office instructed AAA Utilities to publish a prepared Notice of Filing, one time, in newspapers of general circulation in the area affected by AAA Utilities’ Application. The Notice of Filing described the nature of the Application and advised all interested persons desiring to participate in the scheduled proceedings of the manner and time in which to file appropriate pleadings for inclusion in the proceedings as a party of record. In a letter dated November 8, 2013, the Clerk’s Office also instructed AAA Utilities to notify

directly, by U.S. Mail, each customer affected by the Application by mailing each customer a copy of the Notice of Filing. AAA Utilities filed Affidavits of Publication demonstrating that the Notice of Filing had been duly published and provided a letter certifying that it had complied with the instructions of the Commission's Clerk's Office and mailed a copy of the Notice of Filing to all customers.

On March 14, 2014, AAA Utilities and ORS (the "Settling Parties") filed a Settlement Agreement (the "Settlement Agreement") with the Commission. The Settling Parties represented to the Commission that they had negotiated a resolution of the issues presented in this case and determined that their interests would best be served by settling under the terms and conditions set forth in the Settlement Agreement which is attached hereto as Order Exhibit No. 1. ORS stated in the Settlement Agreement that the settlement serves the public interest, preserves the financial integrity of the Company, and promotes economic development within the State of South Carolina. The Settlement Agreement provides for (1) monthly unmetered water service rates of \$25.00 per month, for the Perry Subdivision, Landpointe Subdivision and Love Valley Subdivision, individually; (2) an increase in water rates to allow AAA Utilities to charge its metered water customers a base charge of \$11.00 per month and a commodity charge of \$3.50 per 1,000 gallons; and (3) the following non-recurring charges: (a) a Tap Fee of \$500 per unit; (b) an Account Set Up Charge of \$25.00 per unit per event; and (c) a Reconnect Fee of \$75.00.

These rates produce additional annual operating revenues of \$40,402 and a resulting operating margin of 15.63%. The Parties stated in the Settlement Agreement

that these rates, and certain modifications and additions to the Company's rate schedule, are just and reasonable.

II. TESTIMONY RECEIVED FROM THE SETTLING PARTIES

A public hearing was held in the offices of the Commission on March 25, 2014, beginning at 10:00 a.m., to receive testimony from the Settling Parties and any public witnesses. The Honorable G. O'Neal Hamilton, Chairman of the Commission, presided. AAA Utilities was represented by Scott Elliott, Esquire. ORS was represented by Courtney D. Edwards, Esquire. At the beginning of the hearing, the Commission received and accepted into the record, without objection, the Settlement Agreement as Hearing Exhibit No. 1. By agreement of the Settling Parties, the pre-filed direct testimonies (and, where applicable, exhibits) of AAA Utilities witnesses Ronald J. Swearingen and Gary E. Walsh and ORS witnesses Joseph W. Coates and Hannah K. Majewski, were stipulated into the record.¹ Mr. Swearingen also provided testimony in support of the Settlement Agreement.²

Mr. Swearingen's direct and settlement testimony described the basis for the rate increase and supported the Settlement Agreement. Mr. Walsh's direct testimony supported AAA Utilities' Application and described accounting and pro forma adjustments.

¹ Composite Hearing Exhibit 2 consists of the Direct Testimony Exhibits JWC 1 through 4 of Joseph W. Coates and Composite Hearing Exhibit 3 consists of the Direct Testimony Exhibits HKM 1 through 6 (Public and Confidential versions of HKM-6) of Hannah K. Majewski.

² Hearing Exhibit 4 consists of the Settlement Testimony Exhibit RJS-1 of Ronald J. Swearingen.

Mr. Coates' direct testimony described ORS's examination of the Application and AAA Utilities' books and records as well as the subsequent accounting and pro forma adjustments recommended by ORS. Ms. Majewski's direct testimony focused on AAA Utilities' compliance with Commission rules and regulations; ORS's business audit of AAA Utilities' water system, test-year and proposed revenue; and performance bond requirements.

In considering the Application of AAA Utilities, the Commission must ascertain and fix just and reasonable rates, standards, classifications, regulations, practices, and measurements of service to be furnished. Thus, the Commission must give due consideration to the Company's total revenue requirements and review the operating revenues and operating expenses of AAA Utilities to establish adequate and reasonable levels of revenues and expenses. The Commission will consider a fair rate of return for AAA Utilities based on the record and any increase must be just and reasonable and free of undue discrimination.

III. FINDINGS OF FACT

Based upon the Application, the Settlement Agreement, the testimony and exhibits received into evidence at the hearing, and the entire record of these proceedings, the Commission makes the following findings of fact:

1. By statute, the Commission is vested with jurisdiction to supervise and regulate the rates and service of every public utility in this state, together with the duty, after hearing, to ascertain and fix such just and reasonable standards, classifications, regulations, practices and measurements of service to be furnished, imposed, observed

and followed by every public utility in this State. S.C. Code Ann. § 58-5-210 (1976). The Company is engaged in the business of providing water services to the public for compensation in portions of Saluda, Lexington, and Richland counties and is therefore a public utility subject to the Commission's jurisdiction.

2. The Company is lawfully before the Commission on an application for rate relief and modifications to the terms and conditions of its services pursuant to S.C. Code Ann. Section 58-5-240 (Supp. 2013) and 10 S.C. Code Ann. Regs. 103-703 and 103-712.4 (2013).

3. The appropriate test year for use in this proceeding is January 1, 2012, to December 31, 2012 ("test year").

4. The Company, by its Application, sought an increase in its annual water service revenues of \$40,373 based upon proposed monthly unmetered water service rates of \$25.00 per month for the Perry Subdivision, Landpointe Subdivision and Love Valley Subdivision, individually, and monthly metered water service rates including a base charge of \$11.00 per month and a commodity charge of \$3.50 per 1,000 gallons.

5. The Company submitted evidence in this case with respect to its revenues and expenses using the test year. The Settlement Agreement is based upon the same test year and reflects ORS's proposed adjustments to the test year revenue and expense figures submitted by AAA Utilities.

6. The Settlement Agreement resolving the issues in this proceeding between the Settling Parties was filed by ORS on March 14, 2014.

7. The Settlement Agreement provides for an increase in operating revenues, after accounting and pro forma adjustments, of \$40,402 based upon the proposed charges as set forth in Paragraph 4 herein and these rates result in an operating margin of 15.63%.

8. The Settlement Agreement also provides that the Company shall submit bulk water contracts, whether the bulk contract is for supplemental water or for supply, for Commission approval pursuant to 10 S.C. Code Ann. Regs. 103-743 (2013).

9. After careful review and consideration by this Commission of the Settlement Agreement and the evidence contained in the record of this case, including the testimony of the witnesses and the hearing exhibits, the Commission finds and concludes that the Settlement Agreement results in just and reasonable rates and charges for the provision of water services. Based on the operating revenues, income, and expenses agreed upon by the Settling Parties, the resulting allowable operating margin for the Company is 15.63%. See S.C. Code Ann. § 58-5-240(H) (Supp. 2013).

10. The Commission finds that AAA Utilities' rates and charges agreed to by the Parties in the Settlement Agreement, are hereby adopted and attached to this Order as Settlement Exhibit No. 1, are just and reasonable, fairly distribute the costs of providing service as reflected in the Company's revenue requirement and allow AAA Utilities to continue to provide its customers with adequate water service. We find that the rate schedule agreed to by the Settling Parties provides terms and conditions for water service that are also just and reasonable. Further, the agreed upon rates allow the Company an opportunity to earn a reasonable return on its investment. We therefore find that the proposed rates, charges, and terms and conditions of service contained in the rate

schedule attached as Settlement Exhibit No. 1, are just and reasonable and are hereby approved in their entirety.

11. The Commission finds that the proposed modifications and additions to the terms and conditions of the Company's water service, specifically the language providing for the establishment of an Account Set Up Charge of \$25.00 per unit per event and the currently charged non-recurring Tap Fee of \$500 per unit and Reconnect Fee of \$75.00 for actual costs incurred by AAA Utilities are appropriate, just and reasonable.

IV. EVIDENCE FOR FINDINGS OF FACT AND CONCLUSIONS OF LAW 1-3

The Company is a public utility subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. § 58-3-140(A) (Supp. 2013) and 58-5-210 (1976). The Commission requires the use of an historic twelve-month test period under 10 S.C. Code Ann. Regs. 103-823(A)(3) (2013). These findings of fact and conclusions of law are informational, procedural and jurisdictional in nature and are not contested by any party of record in this proceeding.

V. EVIDENCE FOR FINDINGS OF FACT AND CONCLUSIONS OF LAW 4-11

1. The Commission last approved an increase in AAA Utilities' rates in Order No. 1995-1579 issued October 23, 1995, in Docket No. 1994-278-WS, which allowed an operating margin for the Company of 4.44% and utilized a test year for the twelve months ending December 31, 1994. On October 29, 2013, AAA Utilities filed its Application seeking an increase in annual operating revenues of \$40,373. The ORS recomputed the requested increase to be \$40,402. The Company and ORS submitted evidence in this case with respect to revenues and expenses using the test year. The

Settlement Agreement filed by the Settling Parties on March 14, 2014, is based upon the same test year and provides for an increase in annual operating revenues of \$40,402, which results in an operating margin of 15.63% based upon the Company's revenues and allowable expenses. Additionally, the Settlement Agreement provides that the Company shall submit bulk water contracts, whether the bulk contract is for supplemental water or for supply, for Commission approval pursuant to 10 S.C. Code Ann. Regs. 103-743 (2013). Further, the Company shall provide its customers at least 30 days' notice prior to billing customers for an increase in bulk water charges. Prior to providing such notice to its customers, the Company shall provide notice to the Commission and ORS of its intent to afford such notice to its customers and to subsequently pass through the increase in bulk water charges. AAA Utilities purchases bulk water from Batesburg-Leesville to serve its customers in the Lakeside Forest Subdivision. AAA Utilities submitted the Batesburg-Leesville rates and charges for bulk water sold to AAA and asked that the Commission grant approval in this Docket.

a) Basis for Rate Relief

Company witness Swearingen testified that the Company had been operating with rates granted by the Commission in 1995 and, over the past 17 years, costs have risen dramatically. Since the Company had been operating with the benefit of financial, personnel, and material assistance from the AAA Well Drilling Company for years, it was the Company's decision to seek rate relief as a step towards financial independence from the AAA Well Drilling Company.

Mr. Coates stated that he verified that the operating experience, reported by AAA Utilities in its Application, was supported by the Company's accounting books and records for the twelve months ended December 31, 2012. He also testified that he tested the underlying transactions in the books and records for the test year to ensure that the transactions were adequately supported, had a stated business purpose, were allowable for ratemaking purposes, and were properly recorded. He stated that, after ORS's accounting and pro forma adjustments, the test year Operating Revenues were \$89,262; Operating Expenses were \$101,307; Net Loss for Return was (\$12,045); and Operating Margin was -13.49%. Based on these adjusted test year amounts, the Commission concludes that rate relief is appropriate.

b) Approved Rates and Resulting Operating Margin

Ms. Majewski stated that AAA Utilities is a public utility providing water supply/distribution services from both onsite system wells and a third-party bulk water provider. The Company's operations are classified by the National Association of Regulatory Utility Commissioners as a Class C water utility according to water revenues reported on its Application for the test year. She stated that ORS completed a comprehensive review of the Company's customer water revenue calculations for the test year and, based on that review, ORS made revenue adjustments totaling (\$7,180) to the test year water service revenues.

Additionally, Ms. Majewski testified that, based on the current tariff, AAA Utilities is allowed to charge Love Valley customers a base facility charge of \$7.50 a month and a commodity charge of \$2.40 per 1,000 gallons of water. However, many of

the customers in this subdivision do not have meters and the Company is unable to measure each customer's usage. Therefore, AAA Utilities charges the \$7.50 base facility charge to the Love Valley customers and does not charge the commodity charge of \$2.40 per 1,000 gallons. Based on the Company's Application, the utility is proposing a \$25 per month flat rate for this group of customers. The increase from the \$7.50 monthly amount to \$25.00 per month results in a 233% increase for the Love Valley Subdivision customers. Ms. Majewski testified that ORS recognizes the sizeable increase which is caused by the proposed change from these customers being billed for only the base facility charge portion of the approved rate. However, the \$25.00 per month amount would be consistent with other similarly situated customers without meters as proposed in the Application.

Mr. Coates discussed that ORS's examination consisted of adjusting, as necessary, the revenues, expenditures, and capital investments to normalize the Company's operating experience and operating margin, in accordance with generally accepted regulatory principles and prior Commission orders.

Under the Settlement Agreement, the Parties have agreed to rates which should produce additional revenue of \$40,402. With these additional revenues, Total Operating Revenues are calculated to be \$129,664; Total Operating Expenses are \$109,399; and Net Income for Return is \$20,265. Operating Margin is calculated as 15.63%.

c) Rate design

The Settlement Agreement contemplates continuation of the current rate structure. Under the Settlement Agreement, the Parties agreed to an increase in rates for water

service where AAA Utilities charges \$25.00 per month for service in the Perry Subdivision, Landpointe Subdivision and Love Valley Subdivision, individually, and for all other monthly metered water service rates include a base charge of \$11.00 per month and a commodity charge of \$3.50 per 1,000 gallons. The complete rate table is contained in Settlement Agreement Exhibit 1, which is part of the Settlement Agreement. See Order Exhibit No.1 attached.

Rate design is a matter of discretion for the Commission. In establishing rates, it is incumbent upon us to fix rates which “distribute fairly the revenue requirements [of the utility.]” See Seabrook Island Prop. Owners Ass’n v. S.C. Pub. Serv. Comm’n, 303 S.C. 493, 499, 401 S.E.2d 672, 675 (1991). Our determination of “fairness” with respect to the distribution of the Company’s revenue requirement is subject to the requirement that it be based upon some objective and measurable framework. See Utilities Servs. of S.C. Inc. v. S.C. Office of Regulatory Staff, 392 S.C. 96, 113-114, 708 S.E.2d 755, 764-765 (2011).

We conclude the rate design proposed by the Settlement Agreement is reasonable as this rate design fairly distributes the revenue requirement of the Company among the classes of customers.

d) Additions to and changes in the terms and conditions of service

The Settlement Agreement provides for the establishment of an Account Set Up Charge of \$25.00 per unit per event. The Commission finds that this proposed change to the Company’s rate schedule is just, fair and reasonable.

The testimony of Ms. Majewski reflects that ORS has investigated the actual costs to the Company of providing the services for which these specific non-recurring charges

are sought. According to Ms. Majewski, this language and the associated charges are acceptable in order to prevent the general body of ratepayers from paying a share of these costs which should be charged to those individual ratepayers causing or incurring such expenses.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Settlement Agreement, including Settlement Agreement Exhibit 1, (attached hereto as Order Exhibit No. 1) is incorporated into and made a part of this Order by reference.

2. The Settlement Agreement between the Parties is adopted by this Commission and is approved as it produces rates that are just and reasonable and in the public interest as well as authorizing a reasonable operating margin for the Company.

3. The rates imposed shall be those rates agreed upon in the Settlement Agreement between the Settling Parties as shown in Settlement Agreement Exhibit 1, and shall be effective for service rendered by the Company on and after the date of this Order.

4. The additional revenues that the Company is entitled to the opportunity to earn results in an operating margin of 15.63%.

5. AAA Utilities shall submit bulk water contracts, whether the bulk contract is for supplemental water or for supply, for Commission approval pursuant to 10 S.C. Code Ann. Regs. 103-743 (2013).

6. The Company shall provide notice to the Commission and ORS prior to affording its customers at least 30 days' notice prior to billing customers for an increase in bulk water charges.

7. The Company's books and records shall be maintained according to the NARUC Uniform System of Accounts.

8. The Batesburg-Leesville rates and charges, presented within the Settlement Testimony Exhibit RJS-1, attached hereto as Order Exhibit No. 2, are hereby approved for bulk water sold to AAA Utilities.

9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


G. O'Neal Hamilton, Chairman

ATTEST:


Nikiya Hall, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2013-47-W

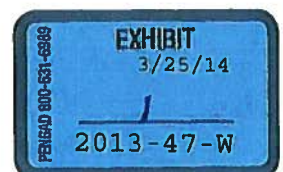
IN RE:	Application of AAA Utilities, Inc. for Adjustment of Rates and Charges for Water Services)))))	SETTLEMENT AGREEMENT
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This Settlement Agreement is made by and between AAA Utilities, Inc. ("AAA Utilities" or the "Company") and the South Carolina Office of Regulatory Staff ("ORS"), whom may collectively be referred to as the "Parties" or sometimes individually as a "Party".

WHEREAS, on October 29, 2013, AAA Utilities filed an Application for the Adjustment of Rates and Charges (the "Application") requesting that the Commission approve the revised rates and charges and a modification to the terms and conditions for the provision of water service to provide a provision seeking a pass-through of the adjustment to customers in Lakeside Forest Subdivision;

WHEREAS, the above-captioned proceeding has been established by the Public Service Commission of South Carolina (the "Commission") pursuant to the procedure established in S.C. Code Ann. § 58-5-240 (Supp. 2013) and 10 S.C. Code Ann. Regs. 103-703 and 103-712.4.B;

WHEREAS, the Company provides water service to approximately 357 customers in Saluda, Lexington and Richland Counties;



WHEREAS, ORS has examined the books and records of the Company relative to the issues raised in the Application and has conducted financial, business, and site inspections of AAA Utilities; and

WHEREAS, the Parties have engaged in discussions to determine whether a settlement in this proceeding would be in the best interests of the Company and in the public interest;

NOW, THEREFORE, the Parties hereby stipulate and agree to the following terms, which, if adopted by the Commission in its Order addressing the merits of this proceeding, will result in rates and charges for water service which are adequate, just, reasonable, nondiscriminatory, and supported by the evidence of record of this proceeding, and which will allow the Company the opportunity to earn a reasonable operating margin.

1. The Parties agree to stipulate into the record the pre-filed direct testimonies and exhibits of Ronald J. Swearingen and Gary E. Walsh on behalf of AAA Utilities, as well as the pre-filed direct testimony and Audit Exhibits JWC-1 through JWC-4 of ORS witness Joseph W. Coates, the pre-filed direct testimony and Exhibits HKM-1 through HKM-6 of ORS witness Hannah K. Majewski.

2. The Parties stipulate and agree to the rate schedule attached hereto and incorporated herein by reference as Settlement Agreement Exhibit 1.

3. The Parties agree that the above stated rates are fair, just, and reasonable to customers of the Company's system while also providing the opportunity to earn a fair operating margin which produces additional revenues of \$40,402. The Parties stipulate that the resultant operating margin is 15.63%.

4. The Parties agree that ORS shall have access to all books and records of this system and shall perform an examination of these books as necessary.

5. AAA Utilities shall maintain its books and records and properly record assets and the disposition of those assets, including their retirement, in its books and records in accordance with the National Association of Regulatory Utility Commissioners Uniform System of Accounts as required by the Commission's rules and regulations.

6. The Company agrees to bill its customers every two (2) months for service instead of monthly.

7. AAA Utilities agrees to provide written notice to its customers of the new rates detailed in Settlement Agreement Exhibit 1 after the Commission has issued its Order.

8. The Company agrees to file all necessary documents, bonds, reports and other instruments as required by applicable South Carolina statutes and regulations for the operation of a water system.

9. AAA Utilities shall submit bulk water contracts, whether the bulk contract is for supplemental water or for supply, for Commission approval pursuant to 10 S.C. Code Ann. Regs. 103-743 (2013).

10. The Company shall provide notice to the Commission and ORS prior to affording its customers at least 30 days' notice prior to billing customers for an increase in bulk water charges.

11. AAA Utilities shall obtain approval from the Commission prior to executing or entering into any agreement or contract with any person, firm, partnership, or corporation or any agency of the federal, state, or local government which would impact, pertain to, or affect said utility's fitness, willingness, or ability to provide water service.

12. The Company agrees that this system is a "public utility" subject to the jurisdiction of the Commission as provided in S.C. Code Ann. § 58-5-10(4) (Supp. 2013). The

Company agrees to maintain the current performance bond amount for water operations in the amount of one hundred thousand dollars (\$100,000) in satisfaction of the requirements set forth in S.C. Code Ann. § 58-5-720 (Supp. 2013) for water service.

13. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable and full resolution of the above-captioned proceeding. The Parties agree to use reasonable efforts to defend and support any Commission Order issued approving this Settlement Agreement and the terms and conditions contained herein.

14. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code Ann. § 58-4-10(B) (Supp. 2013). S.C. Code § 58-4-10(B)(1) through (3) reads in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the agreement reached between the Parties serves the public interest as defined above. The terms of this Settlement Agreement balance the concerns of the using public while preserving the financial integrity of the Company. ORS also believes the Settlement Agreement promotes economic development within the State of South Carolina. The Parties stipulate and agree to these findings.

15. The Parties agree that by signing this Settlement Agreement, it will not constrain, inhibit or impair in any way their arguments or positions they may choose to make in future

Commission proceedings. If the Commission should decline to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty.

16. This Settlement Agreement shall be interpreted according to South Carolina law.

17. Each Party acknowledges its consent and agreement to this Settlement Agreement by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of this Settlement Agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

18. The Parties represent that the terms of this Settlement Agreement are based upon full and accurate information known as of the date this Settlement Agreement is executed. If, after execution, either Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Settlement Agreement is based, either Party may withdraw from the Settlement Agreement with written notice to the other Party.


[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

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AAA Utilities, Inc.
Docket No. 2013-47-W

Settlement Agreement Exhibit 1

SCHEDULE OF RATES AND CHARGES

WATER

1. Monthly Charges

Rates

Unmetered Water

Perry Subdivision	\$25.00 per month
Landpointe Subdivision	\$25.00 per month
Love Valley	\$25.00 per month

Metered Water

Base Charge	\$ 11.00 per month
Commodity Charge	\$ 3.50 per 1,000 gallons

2. Non-Recurring Charges

Tap Fee	\$500 per unit
Account Set Up Charge	\$25.00 per unit per event
Reconnect Fee	\$75.00

Late Penalty Charge

AAA may charge a late payment penalty up to the maximum amount allowed by applicable South Carolina statute and/or Public Service Commission Rule.

NSF Charge

AAA may charge a NSF check charge up to the maximum allowed by applicable South Carolina Statute and/or Public Service Commission Rule.

AAA Utilities, Inc.
Docket No. 2013-47-W

Settlement Agreement Exhibit 1

3. Purchased Water Agreement

AAA purchases potable water from Batesburg Leesville Water to serve the Lakeside Forest Subdivision. In the event Batesburg Leesville Water adjusts the unit price per 1,000 gallons, AAA seeks a pass-through of the adjustments to customers in the Lakeside Forest Subdivision subject to the Commission approved notification process.

4. Billing Cycle

Recurring charges will be billed once every two months in arrears.
Non-recurring charges will be billed and collected in advance of service being provided.
Tap Fee is due at the time connection to the water system is required.

**WATER RATES
EFFECTIVE JANUARY 2011
(FEBRUARY BILLING)**

ALL METER SIZES

<u>Gallons</u>	<u>In Town</u>	<u>Out of Town</u>
0.....	\$ 7.95	\$ 7.95
1,000.....	\$ 12.86	\$ 15.32
2,000.....	\$ 17.77	\$ 22.69
3,000.....	\$ 22.68	\$ 30.06
4,000.....	\$ 27.59	\$ 37.43
5,000.....	\$ 32.50	\$ 44.80
6,000.....	\$ 37.41	\$ 52.17
7,000.....	\$ 42.32	\$ 59.54
8,000.....	\$ 47.23	\$ 66.91
9,000.....	\$ 52.14	\$ 74.28
10,000.....	\$ 57.05	\$ 81.65
11,000.....	\$ 61.96	\$ 89.02
12,000.....	\$ 66.87	\$ 96.39
13,000.....	\$ 71.78	\$103.76
14,000.....	\$ 76.69	\$111.13
15,000.....	\$ 81.60	\$118.50
16,000.....	\$ 86.51	\$125.87

In Town - \$4.91 / 1,000 gal.

Out of Town - \$7.37 / 1,000 gal.

Base Rate - \$7.95

